



STATE OF ALABAMA  
OFFICE OF THE ATTORNEY GENERAL

TROY KING  
ATTORNEY GENERAL

May 25, 2010

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VIA E-MAIL and U.S. MAIL PRIORITY OVERNIGHT

Mr. Antonio F. Dias  
Jones Day  
500 Grant Street, Suite 4500  
Pittsburgh, Pennsylvania 15219-2514

Dear Mr. Dias:

I am in receipt of your May 12, 2010 letter in response to a number of requests made by the Attorneys General for the five Gulf Coast states to Transocean Holdings Incorporated ("Transocean") and its subsidiaries related to the tragic Deepwater Horizon oil spill. Among other things, but most importantly, the Attorneys General requested that Transocean memorialize any commitment it had made to fund the clean-up and recovery efforts currently underway as a result of the oil spill. I was extremely disappointed to learn that Transocean has, in fact, denied any responsibility for the ongoing discharge of oil from the well drilled by Transocean's rig and is attempting to shirk its responsibility for the tragedy unfolding along our Gulf Coast.

As referenced in our May 5 letter, the U.S. Coast Guard officially designated Transocean as one of the "responsible parties" for the oil spill under the Oil Pollution Act of 1990. As a responsible party, Transocean is required to compensate all claims related to the spill, including claims for the cost of removing oil from Alabama waters and properties, damage to Alabama's natural resources, lost government revenues, and the increased costs borne by already strapped government services to address the impact of this environmental disaster.

Regrettably, Transocean has chosen to ignore its obligations under the Oil Pollution Act and the Attorneys General request. Instead, without warning, it filed a lawsuit in Texas on the basis of an archaic 1851 statute in an attempt to limit its liability to the value of Transocean's oil rig and its contents, all of which now lie at the bottom of the Gulf. As I am sure Transocean is well aware, the statute on which it is attempting to rely, clearly does not apply to Transocean's liability for damages under the Oil Pollution Act or state law.

The other Attorneys General and I had hoped to work cooperatively with Transocean to ensure that Alabama and the other states along the Gulf Coast were given sufficient resources by all responsible parties to prevent or mitigate further environmental damage and fully restore the Gulf to its natural state, as well as fairly compensate the individuals, businesses, and governmental entities that have suffered economic losses as a result of the oil spill.

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Unfortunately, it appears that Transocean has no interest in cooperating. If I am mistaken in this regard, please let me know immediately.

In the meantime, I will continue to work with federal authorities and the other coastal Attorneys General to ensure that the causes of this disaster are thoroughly investigated, including all acts of Transocean's negligence or violations of federal safety, construction, or operating regulations. Ultimately, whether or not Transocean intends to cooperate, I will take any and all appropriate action available under the law to hold Transocean and any other responsible party accountable for this disaster.

Sincerely,



Troy King  
Attorney General